RELEASE ON DELIVERY

REMARKS OF THE HONORABLE ROBERT A. WALLACE
ASSISTANT SECRETARY OF THE TREASURY
BEFORE THE METROPOLITAN NEW YORK NUMISMATIC CONVENTION
PARK-SHERATON HOTEL, NEW YORK, NEW YORK
SATURDAY, MAY 4, 1968, 11:00 A.M.

RECENT DEVELOPMENTS IN SILVER, COINS AND MEDALS

I WELCOME THE OPPORTUNITY TO ADDRESS YOU HERE TODAY. NOT ONLY DOES IT PROVIDE ME WITH AN OCCASION TO SEE OLD FRIENDS AGAIN, BUT IT ALSO GIVES ME A CHANCE TO MAKE PUBLIC CERTAIN INFORMATION, ESPECIALLY ABOUT SILVER, WHICH HELPS TO KEEP DOWN THE NUMBER OF RUMORS CONCERNING WHAT IS OR IS NOT THE CURRENT SILVER SITUATION. IT ALSO GIVES ME A PLACE TO EXPRESS MYSELF ON THE SUBJECT OF A SUITABLE NUMISMATIC HONOR FOR THE REVEREND DR. MARTIN LUTHER KING, JR.

THE FIELD OF NUMISMATICS IS VERY BROAD, SO I SHALL KEEP MY DISCUSSION OF VARIOUS SUBJECTS AS BRIEF AS POSSIBLE. FIRST, I SHALL STATE WHAT I THINK WOULD BE AN APPROPRIATE WAY FOR US TO HONOR DR. KING. THEN I SHALL DISCUSS THE CURRENT SILVER SITUATION WHICH MAY REQUIRE A LITTLE MORE TIME BECAUSE OF THE VARIOUS FACTORS INVOLVED IN THAT PICTURE. THIS WILL BE FOLLOWED BY A SERIES OF SHORT REPORTS ON OUR COINAGE WHICH MAY BE OF INTEREST TO NUMISMATISTS.

A GOLD MEDAL TO HONOR MARTIN LUTHER KING, JR.

I KNOW YOU WILL ALL BE INTERESTED IN PROPOSALS TO AUTHORIZE THE UNITED STATES MINT TO STRIKE A COMMEMORATIVE COIN OR A SPECIAL MEDAL IN HONOR OF THE REVEREND DOCTOR MARTIN LUTHER KING, JR. SUCH AN HONOR WOULD CERTAINLY BE HIGHLY APPROPRIATE, AND I WOULD FAVOR A SPECIAL GOLD MEDAL FOR TWO REASONS:

7-1230

1. A GOLD MEDAL COULD BE ORDERED BY CONGRESS TO BE AWARDED BY THE PRESIDENT TO THE WIDOW OF DR. KING IN HONOR OF HIS MAGNIFICENT CONTRIBUTIONS TOWARD THE ACHIEVEMENT OF SUCH GREAT ADVANCEMENTS IN RACIAL JUSTICE. THE FACT THAT RACE DISCRIMINATION CONTINUES TO BE A SERIOUS PROBLEM SHOULD NOT BE SEIZED UPON TO MINIMIZE THE PROGRESS WHICH HAS PARALLELED THE EFFORTS OF DR. KING -- THE CIVIL RIGHTS LEGISLATION, THE BETTER JOB OPPORTUNITIES AMONG MINORITY GROUPS, AND THE DIMINISHING SEGREGATION OF FACILITIES. MOREOVER, BY HONORING HIS LEADERSHIP, WE WOULD GIVE A FURTHER IMPETUS TOWARD ATTAINING THE GOAL FOR WHICH HE WORKED AND DEVOTED HIS LIFE: THE SECURING OF FULL RACIAL EQUALITY BY NONVIOLENT MEANS.

BRONZE COPIES OF SUCH A GOLD MEDAL COULD BE STRUCK BY THE UNITED STATES MINT AND MADE AVAILABLE AT COST TO THE REVEREND DOCTOR MARTIN LUTHER KING, JR., FUND, MOREHOUSE COLLEGE, ATLANTA, GEORGIA. THIS FUND, IN TURN, COULD MAKE SUCH A MEDAL AVAILABLE TO THE PUBLIC AT COST OR AT A PREMIUM WITH ANY PROCEEDS BEING AVAILABLE FOR USE BY THIS FUND IN THE FURTHERENCE OF ITS AUTHORIZED PURPOSES.

2. A GOLD MEDAL WOULD BE SUPERIOR TO A COMMEMORATIVE COIN. SUCH COINS HAVE BEEN FOUND, IN THE PAST, TO INTRODUCE UNCERTAINTIES INTO THE COINAGE SYSTEM, AND NONE HAVE BEEN ISSUED FOR MANY YEARS. (THE KENNEDY HALF DOLLAR IS A REGULAR COIN.) MOREOVER, SUCH A COIN WOULD NOT PROVIDE FOR THE CONGRESSIONAL AWARD AS WOULD A GOLD MEDAL.

CURRENT SILVER SITUATION

AT VARIOUS TIMES DURING THE PAST 100 YEARS, THE GOVERNMENT HAS SOUGHT TO INFLUENCE THE PRICE OF SILVER. FROM 1933 UNTIL AFTER WORLD WAR II, THE TREASURY'S ACTIONS IN BUYING SILVER WERE DIRECTED TOWARD RAISING THE PRICE.

DURING THE EARLY 1960'S OUR POLICIES HAD THE OPPOSITE EFFECT -- HOLDING A CEILING ON THE PRICE. FINALLY, WITH THE HISTORIC ACTIONS TAKEN LAST MAY AND JULY OF 1967, THE POLICY OF INFLUENCING THE SILVER PRICE WAS ABANDONED. SINCE THEN THE PRICE OF SILVER HAS BEEN FREE TO SEEK ITS OWN LEVEL AMONG THE SILVER USERS IN THE PRIVATE MARKET.

BY SOME STANDARDS, THE PAST YEAR HAS BEEN A TURBULENT ONE FOR SILVER, CERTAINLY COMPARED WITH OTHER COMMODITIES FOR WHICH A FREE MARKET HAS BEEN LONG ESTABLISHED. BUT THIS SHOULD NOT BE TOO SURPRISING. THE FREE SILVER MARKET IS LESS THAN A YEAR OLD AND GROWING PAINS SHOULD HAVE BEEN EXPECTED. SILVER HAS BEEN PARTICULARLY VULNERABLE TO MARKET RUMORS -- HOWEVER FAR FETCHED -- BUT THIS IS UNDERSTANDABLE IN A MARKET WHERE SO MANY PARTICIPANTS ARE IN A SENSE NEW TO THE GAME.

IT IS, OF COURSE, NOT POSSIBLE FOR THE TREASURY DEPARTMENT TO COMMENT ON EVERY MARKET RUMOR WHICH COMES ALONG, AND IT IS GETTING SO THAT THESE OCCUR FAIRLY OFTEN. IT SHOULD BE POINTED OUT, HOWEVER, THAT SUCH RUMORS ARE BOUND TO BE MANY SINCE THEY ARE USUALLY TO THE ECONOMIC ADVANTAGE OF THOSE INITIATING THEM. THUS, TRADERS WITH A LONG POSITION WILL NATURALLY BE PRONE TO PROMOTE RUMORS HAVING A BULLISH EFFECT ON THE PRICE OF SILVER. BROKERS WHO MAKE COMMISSIONS ON COMEX SALES OF SILVER BENEFIT DURING A CHURNING MARKET. TRADERS ALSO BENEFIT IN A CHURNING MARKET BECAUSE THEY ARE GENERALLY THE MARKET PROFESSIONALS WHO CAN EASILY GET IN AND OUT OF A POSITION, GIVING THEM A TREMENDOUS ADVANTAGE OVER THE CASUAL INVESTOR WHO CANNOT KEEP UP WITH THE DAILY OR EVEN HOURLY MARKET DEVELOPMENTS. THE AMATEUR SPECULATOR MIGHT DO WELL TO REMEMBER THAT THE PROFESSIONAL'S PROFITS ARE GENERALLY MADE AT HIS EXPENSE.

TRADERS AND SPECULATORS AS WELL AS INVESTORS CAN PERFORM A VALID ROLE IN THE MARKET. BUT ANYONE WHO WANTS TO GET INTO SUCH AN UNCERTAIN PURSUIT SHOULD UNDERSTAND THAT PRECIOUS METALS ARE ESPECIALLY PRONE TO FALSE RUMORS.

TREASURY SALES OF TWO MILLION OUNCES A WEEK ARE DESIGNED TO CLOSE THE SUPPLY-CONSUMPTION GAP ONLY, SO THAT THE EFFECT ON PRICE SHOULD BE NEUTRAL, PUSHING IT NEITHER UP NOR DOWN. WE HAVE NEITHER A REASON NOR A DESIRE TO INJECT OURSELVES INTO THE SILVER MARKET. NEVERTHELESS, WE BELIEVE THAT WE SHOULD GIVE FULL DISCLOSURE OF ALL THE FACTS WE HAVE REGARDING OUR ACTIONS IN THE MARKET, INCLUDING INFORMATION ON OUR SILVER SUPPLIES, WEEKLY SALES, AND, TO THE EXTENT POSSIBLE, OUR FUTURE PLANS. IN DOING SO, IT SHOULD BE CLEARLY UNDERSTOOD THAT ESTIMATES OF FUTURE ACTIVITY CAN ONLY BE PROJECTED ON THE BASIS OF THE BEST INFORMATION WE HAVE. WE MAKE NO CLAIMS TO CLAIRVOYANCE. ALL OUR ESTIMATORS CAN DO IS TO STUDY PAST PATTERNS OF BEHAVIOR AND COMBINE THIS EXPERIENCE WITH A LITTLE COMMON SENSE IN TRYING TO FIGURE OUT FUTURE BEHAVIOR.

FIRST, A FEW WORDS ON THE TREASURY'S CURRENT SUPPLY OF SILVER. AT THE PRESENT TIME, TREASURY HOLDS APPROXIMATELY 520 MILLION OUNCES OF SILVER IN ONE FORM OR ANOTHER. ABOUT 255 MILLION OUNCES OF THIS TOTAL IS IN THE FORM OF COIN SILVER WHICH, AS YOU KNOW, IS IN PROCESS OF BEING MELTED INTO BARS FOR FUTURE SALE. OF THE REMAINING 265 MILLION OUNCES, ABOUT 170 MILLION OUNCES CONSISTS OF SILVER .999 FINE OR BETTER. WE WILL CONTINUE TO ACCUMULATE SILVER COINS OVER THE FORESEEABLE FUTURE AND EXPECT TO GAIN AN ADDITIONAL 5 MILLION OUNCES BY THE END OF JUNE. THE ULTIMATE POTENTIAL RECOVERY CAN BE MEASURED BY THE APPROXIMATELY 1.3 BILLION OUNCES OF SILVER IN THE DIMES AND QUARTERS MINTED DURING THE PAST 25 YEARS. SO MUCH FOR OUR CURRENT SILVER SUPPLY.

ON MONDAY OF THIS WEEK, GSA ANNOUNCED THAT SALES OF .999 FINE SILVER WOULD BE HALTED; AND BEGINNING MAY 3, ONE MILLION OUNCES OF COIN SILVER BARS -- APPROXIMATELY .900 FINE -- WOULD BE OFFERED EACH WEEK ALONG WITH ONE MILLION OUNCES OF THE .996 FINE SILVER. AS THOSE OF YOU WHO FOLLOW THE SILVER SITUATION KNOW, IT WAS MADE CLEAR WHEN THE SALE OF .999+ SILVER WAS RESUMED LAST DECEMBER THAT THE SALE WOULD CONTINUE ONLY WHILE REFINING CAPACITY WAS SERIOUSLY IMPAIRED DURING THE COPPER STRIKE.

NOW, A FEW WORDS AS TO THE FUTURE. WE WILL CONTINUE TO OFFER TWO MILLION OUNCES OF SILVER IN BAR FORM EACH WEEK. THIS POLICY HAS BEEN ESTABLISHED IN CLOSE CONSULTATION WITH THE JOINT COMMISSION ON THE COINAGE WHICH WAS AUTHORIZED BY THE COINAGE ACT OF 1965 AND ESTABLISHED LAST YEAR TO ADVISE ON SUCH MATTERS. THE SILVER MADE AVAILABLE TO INDUSTRY LATER APPEARS IN THE DOZENS OF USES IMPORTANT TO THE AMERICAN CONSUMER AS WELL AS IN VITAL DEFENSE NEEDS. MOREOVER, THE SILVER SALES THROUGH GSA MAKE AN IMPORTANT CONTRIBUTION TO OUR BALANCE OF PAYMENTS SINCE EVERY OUNCE SOLD MEANS AN OUNCE OF SILVER LESS THAT HAS TO BE IMPORTED FROM ABROAD. ANNUAL INDUSTRIAL CONSUMPTION OF SILVER IN THE UNITED STATES OF ABOUT 150 MILLION IS ABOUT 100 MILLION OUNCES GREATER THAN DOMESTIC MINING PRODUCTION AND OTHER PRIVATE SOURCES, SO THAT GSA SALES ARE ABOUT EQUAL TO THE DEFICIENCY.

A SECOND IMPORTANT TREASURY OBLIGATION IS THE REQUIREMENT THAT 165 MILLION OUNCES OF SILVER BE TRANSFERRED TO THE DEFENSE STOCKPILE ON JUNE 24 OF THIS YEAR. THIS FIGURE WAS INITIALLY DETERMINED BY THE OFFICE OF EMERGENCY PLANNING AND APPROVED BY THE CONGRESS IN JUNE 1967. IT REPRESENTS THE OEP'S FIRM OBJECTIVE AS TO THE AMOUNT OF SILVER THAT WOULD BE NECESSARY IN THE EVENT OF A NATIONAL EMERGENCY. ALTHOUGH, FOR DEFENSE PURPOSES, IT IS

PROBABLY NOT NECESSARY THAT THE ENTIRE STOCKPILE CONSIST OF .999 FINE SILVER, WE INTEND TO KEEP AS MUCH OF IT IN THIS FORM AS POSSIBLE. IT NOW APPEARS THAT WE CAN PROVIDE THE ENTIRE AMOUNT OF SILVER IN THIS HIGH DEGREE OF FINENESS.

THE THIRD IMPORTANT OBLIGATION OF THE TREASURY, OVER THE IMMEDIATE FUTURE, IS TO CONTINUE TO EXCHANGE SILVER FOR SILVER CERTIFICATES UNTIL THE CLOSE OF BUSINESS ON NEXT JUNE 24. DURING THE PAST ELEVEN MONTHS, THE TREASURY HAS PROVIDED APPROXIMATELY 43 MILLION OUNCES OF SILVER IN EXCHANGE FOR SILVER CERTIFICATES PRESENTED AT THE NEW YORK AND SAN FRANCISCO ASSAY OFFICES. DURING THE FIRST FOUR MONTHS OF THIS YEAR, EXCHANGES OF SILVER FOR SILVER CERTIFICATES HAVE AVERAGED ABOUT SEVEN MILLION OUNCES A MONTH. IN MARCH AND APRIL, ABOUT 10 MILLION OUNCES OF SILVER WERE EXCHANGED FOR SILVER CERTIFICATES IN EACH MONTH. THIS IS HIGHER THAN WE HAD PROJECTED LAST YEAR, BUT IT IS A RATE THAT WE CAN EASILY LIVE WITH. I DO NOT KNOW HOW MANY SILVER CERTIFICATES WILL BE OFFERED FOR EXCHANGE AT THE ASSAY OFFICES DURING MAY AND JUNE, BUT YOU CAN BE SURE THAT .77 FINE TROY OUNCES OF SILVER WILL BE EXCHANGED FOR EACH SUCH CERTIFICATE PRESENTED.

SILVER CERTIFICATES RECEIVED IN THESE REDEMPTIONS ARE BEING RETIRED AND DESTROYED AS ARE ALL OTHERS WHICH FLOW BACK TO THE FEDERAL RESERVE BANKS, AND THIS TYPE OF CURRENCY WILL NOT BE REISSUED. THUS, MANY WILL UNDOUBTEDLY BE HELD FOR NUMISMATIC PURPOSES. HOWEVER, THOSE WHO ARE NOW HOLDING THESE CERTIFICATES AND PLAN TO EXCHANGE THEM FOR SILVER WOULD BE WELL ADVISED TO BRING THEM IN TO THE NEW YORK OR SAN FRANCISCO FEDERAL RESERVE BANKS OR ASSAY OFFICES EARLY AS POSSIBLE, SINCE UNDER THE LAW THEY WILL NOT BE REDEEMABLE FOR SILVER AFTER JUNE 24.

I WOULD POINT OUT HERE ONE FACT ABOUT SILVER CERTIFICATE REDEMPTIONS THAT OFTEN SEEMS TO BE OVERLOOKED, AND THAT IS THAT EVERY OUNCE OF SILVER EXCHANGED FOR THEM REPRESENTS A SALE OF TREASURY SILVER INTO THE PRIVATE MARKET AND IS AVAILABLE FOR INDUSTRIAL OR INVESTOR USE JUST AS IS ANY OTHER SILVER. IF SILVER CERTIFICATE REDEMPTIONS RISE IN MAY AND JUNE, THIS MEANS AN EQUIVALENT INCREASE IN TOTAL TREASURY SILVER SALES AND A CONCURRENT NEED FOR THE MARKET SOMEHOW TO ABSORB THIS INCREASED SUPPLY OF SILVER.

HOW MUCH SILVER WILL BE AVAILABLE FOR SALE INTO THE MARKET AFTER JUNE 24? HERE WE WOULD NATURALLY HAVE TO RELY ON AN ESTIMATE. WE NOW HAVE 520 MILLION OUNCES. SUBTRACTING THE 165 MILLION OUNCE STOCKPILE REQUIREMENT AND THE 16 MILLION OUNCES OF GSA SALES BETWEEN NOW AND JUNE 24 WOULD BRING TOTAL SUPPLIES TO 339 MILLION OUNCES. ASSUMING SILVER CERTIFICATE REDEMPTIONS TO CONTINUE AT 10 MILLION OUNCES A MONTH, THE TOTAL WOULD DROP TO ABOUT 320 MILLION. MEANWHILE, WE ARE CONTINUING TO ACCRUE SILVER IN THE FORM OF COINS WHICH COULD PUSH THE TOTAL BACK UP TO THE 325 MILLION RANGE. NO FURTHER WITHDRAWALS FOR COINAGE WILL BE REQUIRED FOR THE CURRENT CALENDAR YEAR.

WELL, PERHAPS THE RATES OF SILVER CERTIFICATE REDEMPTIONS WILL RISE EVEN HIGHER DURING THE FINAL SEVEN WEEKS BEFORE THE CUTOFF DATE. MOREOVER, CONTINUED PRODUCTION OF THE KENNEDY HALF DOLLAR WOULD REQUIRE ADDITIONAL SILVER BEGINNING IN 1969. ON THE OTHER HAND, SILVER CERTIFICATE REDEMPTIONS MAY FALL OFF AND COIN RECOVERIES BE EVEN HIGHER BEFORE JUNE 24. MOREOVER, AFTER JUNE 24, WE CAN EXPECT TO CONTINUE TO ACCRUE SILVER IN THE FORM OF COINS. THEREFORE, IT STILL SEEMS TO BE A PRETTY SAFE GUESS THAT WE OUGHT TO BE ABLE TO CONTINUE OUR GSA SALES ANOTHER THREE YEARS AT LEAST AND, DEPENDING ON OUR SILVER COIN RECOVERIES, PERHAPS CONSIDERABLY LONGER.

THE NEXT MEETING OF THE COINAGE COMMISSION IS JULY 14. AT THAT TIME, WE WILL NO LONGER FACE THE UNCERTAINTY OF HOW MANY SILVER CERTIFICATES WILL BE REDEEMED, AND WE OUGHT TO HAVE A MUCH CLEARER PICTURE OF OUR SILVER SUPPLY SITUATION.

ONE OF THE ISSUES SOME SPECUALTORS ARE FOND OF RAISING IS THE BAN ON MELTING SILVER COINS. THERE ARE A NUMBER OF GROUPS WHO WILL PAY A MODEST PREMIUM TO SECURE THESE COINS IN HOPES THAT COIN MELTING MAY ONE DAY BE LEGALIZED. AGAIN, IN TERMS OF MAKING PUBLIC THE BEST INFORMATION POSSIBLE, I SHOULD REITERATE A WARNING I ISSUED EARLY THIS YEAR, AND THAT IS THIS: AMONG MANY MEMBERS OF CONGRESS, MEMBERS OF THE COINAGE COMMISSION, AND TREASURY OFFICIALS, THERE IS A DISTINCT LACK OF SYMPATHY FOR THOSE WHO ENGAGE IN HOARDING AND SPECUALTION IN SILVER COINS. THEIR ACTIVITIES SEVERELY HANDICAPPED OUR ACTIONS TO DEAL WITH PAST COIN SHORTAGES. THE POSSIBILITY OF EVER PERMITTING THEM TO REAP WINDFALL PROFITS OF MILLIONS OF DOLLARS AT THE EXPENSE OF TAXPAYERS WILL, TO SAY THE LEAST, NOT BE VERY POPULAR.

THE 36 FEDERAL RESERVE BANKS ARE NOW HOLDING SILVER COIN REFLOWS. AND THIS SILVER WILL ULTIMATELY BE SOLD INTO THE MARKET TO THE BENEFIT OF BOTH THE TAXPAYERS AND SILVER USERS. FOR THOSE WHO ARE NOW COMPETING WITH US FOR THESE COINS TO CASH IN ON THEIR INVESTMENTS IN THE COSTS OF PREMIUMS, INTEREST, AND STORAGE, THEY WILL HAVE TO CONVINCE A LOT OF PEOPLE THAT THEY, RATHER THAN THE TAXPAYERS, SHOULD BE ALLOWED TO REAP THE PROFIT THROUGH THE MELTING AND SALE OF THESE COINS IN BULLION FORM.

SILVER DOLLARS

YOU ARE ALL AWARE OF THE 3 MILLION RARE SILVER DOYLARS THAT ARE STILL HELD IN THE TREASURY. THE DISPOSITION OF THESE COINS HAS BEEN THE SUBJECT OF DISCUSSION BY THE COINAGE COMMISSION BUT NO FINAL DECISION HAS BEEN REACHED.

THE TROUBLE WITH SO MANY OF THE SUGGESTIONS WHICH HAVE BEEN MADE IS THAT NONE OF THEM COULD BE ADOPTED WITHOUT GREAT CONTROVERSY. THEY ARE EITHER GIVE-AWAYS, LOTTERIES OR AUCTIONS INVOLVING IMPOSSIBLE LOGISTICS. ONE METHOD WHICH HAS NOT BEEN PUBLICLY DISCUSSED WOULD BE SIMPLY TO SELL THE COINS AT THEIR RETAIL VALUE. WERE THIS TO BE DONE, THERE WOULD BE NO SPECIAL INCENTIVES FOR COLLECTORS TO BUY THEM SINCE THEY COULD BE OBTAINED FROM COIN DEALERS. YET, THE FACT THAT THEY ARE THE LAST TO BE HELD BY THE TREASURY SHOULD GIVE THEM SUFFICIENT DEMAND FOR SALE AT SUCH A FAIR PRICE. IN THIS WAY, EVERY AMERICAN WOULD BE GIVEN AN EQUAL CHANCE TO OWN ONE OF THE RARE SILVER DOLLARS WITHOUT ANY WINDFALL PROFIT BEING REALIZED. MOREOVER, THE TAXPAYER WOULD REALIZE THE GREATER PROFIT.

OF THE 3 MILLION SILVER DOLLARS HELD BY THE TREASURY, 2.8 MILLION ARE RARE CARSON CITY DOLLARS. WERE ALL THESE TO BE SOLD AT THEIR RETAIL VALUE, THE TAXPAYER WOULD REALIZE APPROXIMATELY $75 MILLION -- AN AVERAGE OF ABOUT $27 EACH. IT MAY BE THAT IF THESE COINS WERE TO BE OFFERED FOR THEIR RETAIL VALUE, THEY WOULD NOT ALL BE SOLD IMMEDIATELY. HOWEVER, THEY SHOULD NOT DECREASE IN VALUE WITH THE PASSAGE OF TIME SO THAT THE GOVERNMENT SHOULD NOT LOSE ANYTHING BY NOT TRYING TO GET RID OF THEM ALL AT ONCE.

COINAGE PRODUCTION

DURING THE PAST 4 YEARS THE MINT HAS PRODUCED SOME 30 BILLION COINS, IF YOU CAN IMAGINE SUCH A NUMBER. OF THIS AMOUNT, SOME 10 BILLION, OR ABOUT A THIRD OF THE TOTAL, WERE THE NEW CLAD COINS.

KENNEDY HALF DOLLAR

WE HAVE PRODUCED APPROXIMATELY 1 BILLION KENNEDY HALF DOLLARS, OF WHICH 433 MILLION WERE 1964 COINS OF 90% SILVER. THE REST ARE DATED 1965, 1966, 1967 AND 1968 AND ARE CLAD COINS, 80% SILVER ON THE OUTSIDE AND 20% SILVER CORE INSIDE, FOR AN OVERALL SILVER CONTENT OF 40%.

THE REASON FOR THE HEAVY PRODUCTION OF THE CLAD HALF DOLLAR HAS BEEN TO PRODUCE ENOUGH FOR FULL CIRCULATION OF THIS HALF DOLLAR ALONE, SINCE ALL THE OTHERS HAD DISAPPEARED FROM CIRCULATION. IN ACCORDANCE WITH THE DECISIONS OF THE COINAGE COMMISSION ON MARCH FIRST, THIS PRODUCTION WILL DROP TO A RATE OF 100 MILLION PIECES A YEAR BEGINNING JULY FIRST. THIS RATE WILL STILL BE GREATER THAN THE NUMBER PRODUCED IN ANY YEAR PRIOR TO 1961.

PROOF COIN SETS

THE MINT HAS BEEN ACCEPTING ORDERS FOR 1968 PROOF COIN SETS SINCE LAST FALL. IT WILL SOON STOP ACCEPTING ORDERS, SINCE ORDERS EQUAL TO THE 3 MILLION PRODUCTION LIMIT ARE APPROACHING. THESE PROOF COINS WILL CONTAIN THE SAN FRANCISCO MINT MARK. WE ARE PLEASED WITH THE ENTHUSIASM SHOWN BY COLLECTORS WHEN THESE COINS WERE FIRST SHOWN BY DIRECTOR OF THE MINT, MISS EVA ADAMS, IN DENVER LAST JANUARY.

UNCIRCULATED COIN SETS

BEGINNING JULY 1, 1968, MISS ADAMS IS MAILING ORDER CARDS FOR 1968 UNCIRCULATED COIN SETS TO ALL PURCHASERS OF THE 1968 PROOF SETS. THE MINT WILL ALSO ACCEPT ORDERS FOR THESE SETS BEGINNING JULY 15. THE SETS WILL CONTAIN ONE COIN OF EACH DENOMINATION STRUCK FOR CIRCULATION AT THE PHILADELPHIA AND DENVER MINTS AND THE SAN FRANCISCO ASSAY OFFICE AND WILL CONTAIN MINT MARKS. ADDITIONAL DETAILS CONCERNING THESE SETS WILL BE RELEASED AT A LATER DATE.

MINTING COINS FOR OTHER COUNTRIES

RECENT STATISTICS INDICATE THAT THE UNITED STATES IS PRODUCING OVER 40% OF ALL COINS MADE IN THE FREE WORLD. IN ADDITION TO THE DOMESTIC COINAGE, WE HAVE, OVER THE YEARS, MADE 7 BILLION COINS FOR 37 FOREIGN COUNTRIES. DURING THE PERIOD OF THE COIN SHORTAGE WE DISCONTINUED THIS POLICY IN ORDER TO DEVOTE ALL COINAGE FACILITIES TO MEETING OUR COINAGE NEEDS. HOWEVER, WE HAVE NOW RESUMED OUR POLICY OF MAKING COINS FOR OTHER COUNTRIES AND ARE NOW MAKING COINS FOR PANAMA, THE PHILIPPINES, COSTA RICA AND EL SALVADOR AND WE HAVE RECENTLY BEGUN A PROGRAM OF PROCESSING MATERIALS TO BE USED FOR COINS IN THE BRAZILIAN MINT.